



# Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

## ECONOMIC TRENDS

Nonfarm payroll jobs in the Pocatello Metropolitan Area dropped in July from the previous month but still totaled over 1,000 more than a year ago. The production jobs were up from both June and July 2006, but jobs in the service sector dropped significantly as schools closed for the summer. Running counter to the national trend, the number of construction jobs rose slightly. Most other sectors maintained nearly the same employment levels from June to July.

The labor force expanded as usual in July, and many found work not just in the seasonal areas like wildlife management, road construction, water resources and recreation programs but also with more traditional though smaller employers who are expanding.

County unemployment rates throughout southeastern Idaho are continuing at all time lows, reflecting a vibrant economy with plenty of job opportunities. Last year many were thinking the low rates could not continue, but as Southeastern Table 2 indicates, unemployment rates across the region are below year-earlier levels and appear to be affecting smaller employers needing part-time or seasonal workers more than large businesses with full-time payrolls.

## CONSTRUCTION STILL STRONG

Nearly every day for the past month one publication or another has carried an article about slowing construction activity

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment Bannock and Power counties

|                                          | Jul<br>2007* | Jun<br>2007 | Jul<br>2006 | % Change From |              |
|------------------------------------------|--------------|-------------|-------------|---------------|--------------|
|                                          |              |             |             | Last<br>Month | Last<br>Year |
| <b>INDIVIDUALS BY PLACE OF RESIDENCE</b> |              |             |             |               |              |
| <i>Seasonally Adjusted</i>               |              |             |             |               |              |
| Civilian Labor Force                     | 45,912       | 45,505      | 44,931      | 0.9           | 2.2          |
| Unemployment                             | 1,024        | 1,120       | 1,567       | -8.6          | -34.7        |
| % of Labor Force Unemployed              | 2.2          | 2.5         | 3.50        |               |              |
| Total Employment                         | 44,888       | 44,385      | 43,364      | 1.1           | 3.5          |
| <i>Unadjusted</i>                        |              |             |             |               |              |
| Civilian Labor Force                     | 44,499       | 44,867      | 44,931      | -0.8          | -1.0         |
| Unemployment                             | 877          | 1,004       | 1,567       | -12.6         | -44.0        |
| % of Labor Force Unemployed              | 2.0          | 2.2         | 3.5         |               |              |
| Total Employment                         | 43,622       | 43,863      | 43,364      | -0.5          | 0.6          |
| <b>JOBS BY PLACE OF WORK</b>             |              |             |             |               |              |
| <b>Nonfarm Payroll Jobs** - NAICS</b>    | 39,570       | 40,210      | 38,530      | -1.6          | 2.7          |
| <i>Goods-Producing Industries</i>        | 6,130        | 6,070       | 5,880       | 1.0           | 4.3          |
| Natural Resources & Mining               | 30           | 30          | 30          | 0.0           | 0.0          |
| Construction                             | 2,140        | 2,110       | 2,110       | 1.4           | 1.4          |
| Manufacturing                            | 3,960        | 3,930       | 3,740       | 0.8           | 5.9          |
| Food Manufacturing                       | 1,330        | 1,320       | 1,170       | 0.8           | 13.7         |
| Fabricated Metal Product Manufacturing   | 180          | 170         | 170         | 5.9           | 5.9          |
| Machinery Manufacturing                  | 290          | 270         | 250         | 7.4           | 16.0         |
| Other Manufacturing                      | 2,160        | 2,170       | 2,150       | -0.5          | 0.5          |
| <i>Service-Providing Industries</i>      | 33,440       | 34,140      | 32,650      | -2.1          | 2.4          |
| Trade, Transportation & Utilities        | 7,440        | 7,470       | 7,460       | -0.4          | -0.3         |
| Wholesale Trade                          | 1,350        | 1,350       | 1,360       | 0.0           | -0.7         |
| Retail Trade                             | 4,700        | 4,760       | 4,610       | -1.3          | 2.0          |
| Utilities                                | 50           | 50          | 50          | 0.0           | 0.0          |
| Transportation & Warehousing             | 1,340        | 1,310       | 1,440       | 2.3           | -6.9         |
| Information                              | 700          | 700         | 710         | 0.0           | -1.4         |
| Financial Activities                     | 2,240        | 2,270       | 2,100       | -1.3          | 6.7          |
| Professional & Business Services         | 5,730        | 5,790       | 5,340       | -1.0          | 7.3          |
| Educational & Health Services            | 3,380        | 3,390       | 3,140       | -0.3          | 7.6          |
| Leisure & Hospitality                    | 3,400        | 3,450       | 3,650       | -1.4          | -6.8         |
| Other Services                           | 1,190        | 1,180       | 1,170       | 0.8           | 1.7          |
| Government Education                     | 4,190        | 5,090       | 4,420       | -17.7         | -5.2         |
| Government Administration                | 5,170        | 4,800       | 4,660       | 7.7           | 10.9         |

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Southeastern Idaho Table 2: County Unemployment Rates

| County/Area    | Jul<br>2006 | Jul<br>2007 |
|----------------|-------------|-------------|
| Bannock        | 3.5%        | 2.2%        |
| Bear Lake      | 2.8%        | 1.9%        |
| Bingham        | 3.9%        | 2.1%        |
| Caribou        | 3.8%        | 2.5%        |
| Franklin       | 2.8%        | 1.6%        |
| Oneida         | 2.0%        | 1.4%        |
| Power          | 4.4%        | 2.6%        |
| State of Idaho | 3.4%        | 2.3%        |

and how poorly housing markets are doing across the country. Many believe the same holds true for southeastern Idaho. But the most recent Idaho Construction Report from Wells Fargo Bank shows many counties in southeastern Idaho have had increases in both the number of permits and their value during the first five months of this year compared to 2006. The notable exception was Bannock County, the area's largest, and that prompted a decline for the southeastern region overall. In 2007 there were 719 permits worth just under \$70.1 million in southeastern Idaho, down 3.1 percent in permits and 2.5 percent in value.

## AREA INTERESTS

- Like most of the state, southeastern Idaho has been experiencing record heat, low water levels and unprecedented range and forest fires. The fires have disrupted communication systems, recreation plans, range rotations and crop harvests and will likely affect prices of feed for livestock this year and next. The Bureau of Land Management uses the Pocatello Airport as its base of operation for fire retardant air tankers and the surveillance planes that direct them. About 70,000 pounds of retardant are flown out of the Pocatello base daily. Fire assessments can be accessed at <http://giscenterims.isu.edu/website/wui/viewer.htm>
- Economic activity was stimulated by a variety of seasonal events. Fairs in every county brought in vendors and others from around the area to display their products and talents in hopes of qualifying for the state fair in September. Many fairs also featured concerts and rodeos that drew large crowds.
- Economics is often called the science of how scarce resources are allocated. This fall there are many individuals filling that role in southeastern Idaho, particularly farmers and county commissioners.

The farmers are being extremely conservative with water, trying to finish out the summer by using scarce water on the crops they think will be most productive, especially alfalfa, sugar beets and potatoes.

County commissioners are having similar struggles on their budgets for next year. The commissioners face increased expenditures needed to maintain current levels of operation while being asked to upgrade some services. To complicate their situation, the projected revenue is limited because of reductions in property taxes.

## COUNTY UPDATES

### BANNOCK COUNTY

- The Texas Roadhouse opened this month at the Pocatello Square. It has a payroll of 173.
- Many local hospitality businesses benefited from more than 500 square dancers from throughout the world who came to Pocatello for the 2007 USA West Square and Round Dance convention.
- Stone & Webster Inc. was awarded the engineering, procurement and construction management contract for the polysilicon plant for Hoku Scientific in Pocatello. The contract calls for the plant to be operational in the later part of 2008 with all construction complete by May 2009.

- Idaho Central Credit Union has opened its new four-story, 69,000-square-foot headquarters in Pocatello. The building is about 50 percent occupied, offering plenty of space for future expansion.
- The new Health and Wellness Sleep Institute has opened. The one-of-a-kind facility provides services for dealing with insomnia, diabetes/insulin resistance, excessive weight and general health issues.
- The Marriott TownePlace Suites is open. In addition to upscale suites, the hotel includes an indoor swimming pool, whirlpool, laundry, exercise room, high speed Internet and a 24-hour business center. The hotel expects about half its business to be customers on extended stays and will offer them special services.
- Construction activity was down for the first five months of this year in Bannock County. In 2006 builders were issued 394 permits worth \$47.2 million through the end of May. This year, permits totaled 343 valued at \$31.5 million. In 2006 there were several large commercial permits on which much of the work is being done this year. Additionally many residential builders purchased permits at the end of 2006 in order to save the increased cost being assessed for connecting to municipal utilities.

### BEAR LAKE COUNTY

- The Bear Lake County Jail Committee reaffirmed its support for a combined jail and courthouse after reviewing a feasibility study by Ormand Buildings Inc. The old jail in Montpelier was built in 1880 and abandoned in October 2006. Since then, Bear Lake County has reserved six beds in the Caribou County jail at a cost of \$107,310 a year plus \$52 a day for each additional inmate. The existing courthouse was built in 1885 with additions made in 1908 and 1937. While it has adequate electrical wiring it does not meet current building or accessibility codes. The projected cost of a new combined facility is \$9.9 million, which would raise current property taxes on a \$100,000 home about \$74 a year.
- The Montpelier City Council approved one zoning change from agriculture to R-2 and delayed discussion of another until September. Even more similar requests are expected indicating a need to update comprehensive plans in the county. Shadow Mountain is applying for a community reinvestment fund to update plans, particularly those affecting impact areas.
- Bear Mountain Resort presented a six phase plan and timeline for development over the next 20 years. The first phase will consist primarily of building roads, water supply systems and a firehouse.

More than 200 jobs will be generated by construction and operation of the resort that will include a golf course, ski runs, tennis courts, an indoor water park, zip-lines and an equestrian facility. The name is also being changed to Black Bear Mountain Resort.

- Even the high price of gasoline doesn't seem to deter tourists from traveling to Bear Lake. Staff at the Bear Lake Convention and Visitors Bureau reported more than 30,000 signatures in their guest book by the middle of July, likely fewer than actually visited because many may not have signed the registry. The Idaho Travel Council awarded the bureau \$23,650 to print 17,500 accommodation guides.
- Construction activity for the first five months of this year in Montpelier is significantly higher than last year. In 2006 builders were issued 11 permits worth \$211,600 through the end of May. This year builders were issued 18 permits valued at \$1.45 million.

#### *BINGHAM COUNTY*

- Fort Hall hosted the 44<sup>th</sup> annual Shoshone-Bannock Indian Festival, a four-day event with many competitions, activities and displays. The festival is ranked fourth on the PowWow Trail in the United States, drawing at least 30,000 people this year. Twenty-four of the best Indian drummers and singers competed for \$24,000 in prize money, and Indian Relay teams from all over the western United States competed for a purse of more than \$8,000. The colorful dance competitions drew the most participants.
- Construction in Bingham County is running slightly ahead of last year. Through May, builders were issued 206 permits worth \$14.8 million. A year ago, 202 permits worth \$14.6 million were issued.

#### *CARIBOU COUNTY*

- Spring Creek Manor Assisted Living has approval to expand from 15 to 36 units during the next five years. Four units will be built initially, and others will be added as demand dictates.
- Community Supported Agriculture has prompted a farmers market in Soda Springs. The market has been busy with good support from the community. At least 10 new businesses have started as a result of the market's success. The new businesses are primarily small baking operations, vegetable and flower gardens, wood working and craft enterprises.
- Soda Springs recently was approved for a community review. About four communities in the state are chosen each year to participate in a review process. A group of local residents and representatives from various governmental units, foundations and non-

profits will lead the effort to give direction on the town's future development. The review examines economic development, community design and identity and civic life and community involvement.

- Construction has slowed considerably in Soda Springs. During the first five months of 2007, the city issued eight permits worth \$85,413 compared to six permits valued at \$438,704 in 2006

#### *FRANKLIN COUNTY*

- A new paint job, courtesy of local scout troops, greeted canners at the seasonal opening of the Franklin County Cannery. The cannery will stay open until all 46,000 cans in stock are used. Can prices range from 50 cents to 85 cents for the large #10 size. Three individuals handle process control and management. The rest of the work is done by canners with appointments to use the facility.
- The expanded La Tienda in Franklin will be providing brochures about the Pioneer Historic Byway to make more of the traveling public aware of the many interesting sights along the highway when they stop for gas and lottery tickets.
- The Preston City Council reviewed a feasibility study from Aqua Engineering on upgrades to the sewage treatment plant. The immediate upgrades at \$480,000 protect integrity of the system and move it toward meeting national EPA standards, which are expected to be phased in nationwide in the next seven to eight years.
- Population growth is mirrored in the growth of activity at Franklin Memorial Hospital. The payroll increased by 613 percent between 1987 and 2006. There are now more than 200 employees at the hospital and nursing home. Other barometers of growth are also dramatic. Surgeries have increased from 144 to 420, or 292 percent; baby deliveries from 56 to 220, up 220 percent. It is this growth that is pushing the hospital board of directors to consider purchasing land to construct a new facility.
- Construction activity in the county is much greater this year than last. In the first five months of this year Preston and Franklin County had 63 permits issued for \$7.4 million compared to 45 permits issued in 2006 worth \$3.7 million.

#### *ONEIDA COUNTY*

- Ireland Bank, the oldest state-chartered bank, announced new branches in Carey and Mackay. Malad-based Ireland bought the branches from Summit National Bank, expanding its operations to nearly all of southeastern Idaho through 13 branches.

- Oneida County Commissioners authorized Bill and Dave Ball to build 14 agricultural buildings for a mink farm next to Big Malad Springs. The Ball brothers of Morgan, Utah, are planning for up to 20,000 mink, raised primarily for their pelts that would be sold domestically. The waste from the operation would be used for fertilizer. At a public hearing, neighbors expressed concern the mink farm would decrease land values because of environmental concerns. Mink pelt production in Idaho totaled 203,000 in 2006 averaging \$47.50 a pelt. Nationally, there has been resurgence of interest in mink production. Of 271 farms nationwide, Idaho has 27.
- Wells Fargo does not have a branch in Oneida County so construction activity information for Oneida County is based on the building permits of the Malad City office. In the first seven months of 2006 there was only one permit issued with a value of \$327,500. In 2007 there have been six permits issued with a value of \$671,087. A grant for self-help housing from the Southeast Idaho Community Action Agency has boosted the number of permits.

#### POWER COUNTY

- Darrin and Jennifer Simpson opened a take-and-bake pizza business called the A.F. Pizza Factory. Previously the Simpson's operated Big Juds in Pocatello, and both also work as educators. The Simpsons

have hired two part-time high school students and their daughter to work with them in the business.

- After months of hard work by many volunteers, the Power County Museum celebrated its Grand Opening Aug. 11. Admission is free.
- The permitting process for the coal gasification plant being built by Southeast Idaho Energy LLC has begun. The proposed plant has strong endorsement from the county commissioners and is scheduled to be built on 450 acres west of American Falls. The new plant, scheduled for completion by 2012, is expected to employ between 150 and 200 workers.
- Plans for a new Exit 40 interchange continue to be reviewed and different options discussed. But a final decision must be made by October if construction is to proceed as planned.
- Construction activity in Power County and American Falls is well ahead of last year. In the first five months of this year, 52 permits were issued for \$5.1 million compared to 33 permits for \$2.3 million during the first five months of 2006.

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Scott Hobdey Regional Economist  
430 N. 5th Ave., Pocatello, ID 83205  
(208) 236-6710, ext. 3713  
E-mail: [scott.hobdey@labor.idaho.gov](mailto:scott.hobdey@labor.idaho.gov)

## *Annual Occupational and Wage Survey Report Available Online*



The Idaho Department of Labor's latest Occupational Employment & Wage Report is now available on the agency's Web site and in print. The annual report includes average, mid-point, middle range and entry wage for numerous occupations. It also provides the number of workers in those occupations in statewide and by region. The report is the result of an annual survey of Idaho employers.

View and download the files in Excel or PDF formats on the Web site at [lmi.idaho.gov](http://lmi.idaho.gov). To order a printed copy, send an e-mail request to [lmi@labor.idaho.gov](mailto:lmi@labor.idaho.gov).